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THE AGRICULTURAL LADDER

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The first rung of the agricultural ladder is represented by the period during which the embryo farmer is learning the rudiments of his trade. In the majority of cases this period is spent as an unpaid laborer on the home farm.

The hired man stands on the second rung, the tenant on the third, while the farm owner has attained the fourth or final rung of the ladder. This paper deals with the rate at which men climb this ladder, and the means used in making the ascent. We shall find that many men are able to skip some of the stages above enumerated. There are also various intermediate stages. Thus the hired man may assume some of the responsibilities of management and receive part or all of his pay as a portion of the proceeds. Under this arrangement he usually makes a larger income than a mere hired man, but less than a full tenant. Some men pass from the stage of hired man or from that of tenant to the position of hired manager, but these are relatively few. The stage of owner is usually divisible into two periods, the first being the early period when there is still a mortgage on the farm. Mortgages may, of course, persist indefinitely, but in the later stages of ownership mortgages frequently represent obligations incurred in extending the holdings of the farmer.

Table I shows the stages passed by 2112 present farm owners in the states of Illinois, Iowa, Kansas, Nebraska, and Minnesota.¹ Twenty per cent of the number climbed the entire ladder, omitting none of the steps. Thirteen per cent skipped the tenant stage, 32 per cent the hired-man stage, and 34 per cent passed directly to ownership from their fathers' farms, omitting both the stages of hired man and tenant. Later it will be seen that a large proportion of this last group inherited their farms, or bought them from near relatives who presumably allowed very easy terms of payment.

Table II shows the methods by which the men in these various groups acquired ownership. Taking all the groups together, it is

¹ The data on which this paper is based were collected by Mr. H. H. Clark, of the Office of Farm Management, under the joint direction of Mr. E. H. Thomson and the writer.

TABLE I.—STAGES PASSED BY 2112 MIDWESTERN FARM OWNERS IN ACQUIRING OWNERSHIP

Groups*	Number	Per cent
FHTO	435	20
FHO	268	13
FTO	679	32
FO	730	34

*F = unpaid laborer on the home farm.

H = hired man. T = tenant.

O = owner.

to be noted that just two thirds of these men acquired their farms by purchase, the other third mainly by inheritance, while 7 per cent of the entire number married their farms. A few obtained them by homesteading, but these are old men; the younger generation can no longer obtain farms in this manner, at least in the region in which these studies were made.

TABLE II.—PERCENTAGE OF FARMERS ACQUIRING OWNERSHIP BY DIFFERENT METHODS. (*For meaning of symbols, see Tabl. I.*)

Groups	Home-stead-ing	Mar-riage	Inher-itage	Purchase from near relatives	From others	Total pur-chasing
FHTO	1	9	1	12	77	89
FHO*	4	28	7	6	55	61
FTO	1	5	23	30	41	71
FO	3	4	47	30	16	46

* The percentages in this line apply to Ill., Iowa, Kan., and Nebr. only, the Minn. owners being omitted for reasons stated in the text.

Table III shows the average age at which the men in these four groups left their fathers' farms. Referring again to Table II, it will be seen that the percentage of men who inherit their farms rises rapidly as the length of time they spend on the home farm increases. This is undoubtedly due to the larger size of farms on which those men who remained longest at home were brought up. Not only was there room for them on the home farm, but there was also land enough to furnish many of them homes as their share of the estate. The young fellows brought up on small farms left home early, and made their way to the top of the ladder by the more laborious method of climbing from step to step.

Not only is the percentage of inheritance larger the longer the

men remain on the home farm, but the proportion of those who buy from near relatives increases in like manner. The group who skipped the tenant stage are of special interest. Of the 268 men in this group, 160, or 60 per cent of them, own farms in the state of Minnesota. One hundred and thirty-one of this number bought their farms from others than near relatives. This was because land was cheap in that state at the time these men were acquiring their farms. For this reason the Minnesota men are omitted from this group in Table II. In the other four states 28 per cent of this group obtained their farms by marriage, 4 per cent by homesteading, and 7 per cent by inheritance. This group is thus made up quite largely of men who did not acquire ownership by purchase. Otherwise most of them would have been compelled to pass through the stage of tenant.

Table III shows the length of the various stages and the average age at which the men in each group acquired ownership. Those

TABLE III.—AVERAGE LENGTH OF STAGES. (*For meaning of symbols, see Table I.*)

Groups	F Yrs.	H Yrs.	T Yrs.	Total* Yrs.	O** Yrs.
1. FHTO	19	7	10	36	13
2. FHO	19	10	—	29	20
3. FTO	23	—	9	33	11
4. FO	26½	—	—	26½	17

* Age at ownership.

** Years since ownership was acquired.

who left their fathers' farms to become hired men did so at an average age of 19 years. This applies to both groups 1 and 2. Group 3 were brought up on larger farms, remained at home four years longer, and were thus enabled to skip the hired-man stage. Their fathers set them up as tenants as a reward for their services on the home farm. Group 4 consists for the most part of men brought up on still larger farms. They remained at home till on the average they were 26½ years old. We have already seen (Table II) that most of these men either inherited their farms or bought them on easy terms from their fathers or other near relatives.

Group 1 spent an average of 7 years as hired men and 10 years as tenants before acquiring ownership, which they did at an average age of 36 years. In general, the longer these men remained on the home farm, the earlier the age at which they acquired ownership. This is an argument in favor of farms of considerable

size. The young men on such farms are less liable to have to pass through the stages of hired man and tenant.

It is worthy of note that class 2 is made up largely of men who acquired their farms a long time ago (20 years on the average).

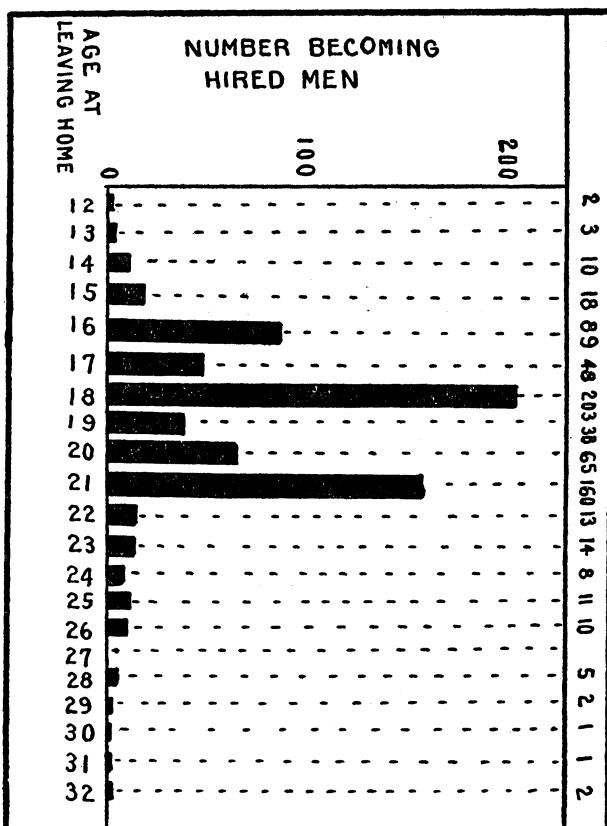


FIG. 1. Groups FHTO and FHO, 703 individuals. Age at leaving the home farm, average 19.1 years.

In a less degree this is true of class 4; while classes 1 and 3 consist more largely of men who acquired their farms more recently. These last-mentioned classes both involve the stage of tenancy. It would thus appear that it is becoming more and more difficult to acquire farms without passing through the tenant stage.

We have seen that the average age at which young men left home to become hired men on the farm was 19. The facts are given in more detail in Figure 1. The largest number left home at the age of 18. Next in order are 21 and 16 years, respectively.

Two started out at 12 years of age, while two others left the home farm when they were 32 years old.

While those who skipped the hired-man stage left home at an average age of 23, Figure 2 shows that by far the larger number

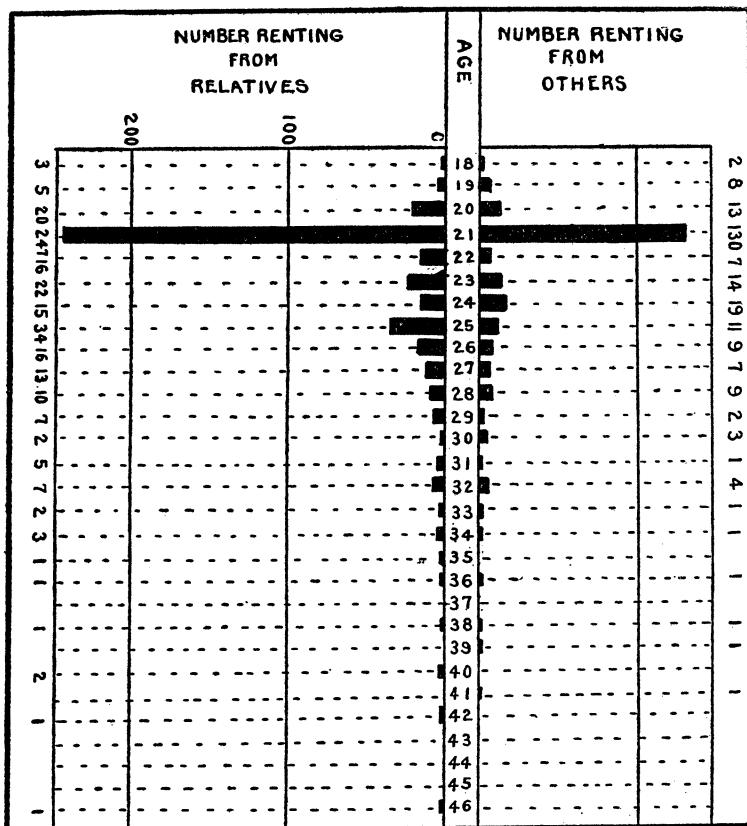


FIG. 2. Group FTO, 679 individuals. Age at becoming tenants, average 22.9 years.

of them started out at 21. The bars extending downwards in Figure 2 represent men who rented from their fathers or other near relatives; the bars extending upwards, those who rented from others.

Figure 3 shows the numbers of men who remained at home for various lengths of time and then went directly to ownership. The bars extending downward show numbers who obtained their farms without having to purchase them; those extending upwards, those

who purchased. In both cases the high numbers are from 21 to 30 years of age.

While the average length of the hired-man stage in the group that omitted none of the stages was 7 years, Figure 4 shows that

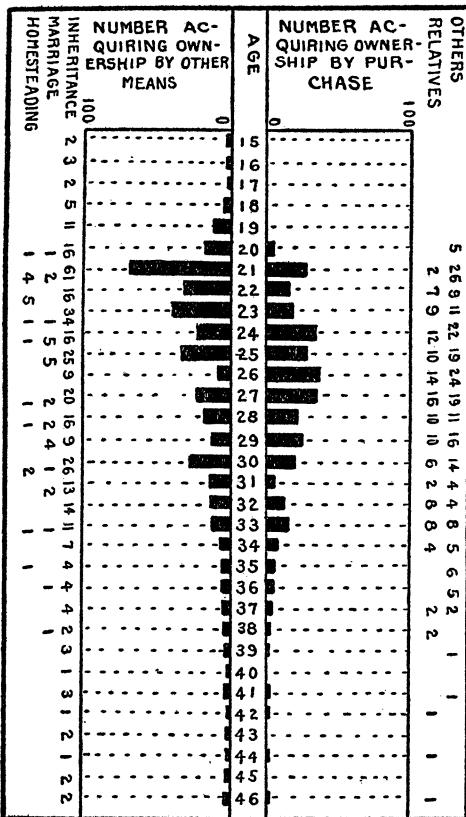


FIG. 3. Group FO, 30 individuals. Age at becoming owners, average 26.5 years.

the high numbers come at from 4 to 6 years. The average is raised by the stragglers who remained in this stage, in one case, as long as 28 years.

In this same group the average length of the tenant stage was 10 years; but Figure 5 shows that the high numbers come at from 4 to 10 years.

It would thus appear that the usual course of those farm owners who start out without capital is to work four to six years as

hired men, four to ten years as tenants, after which they make a first payment on a farm of their own. If this were a settled state of affairs in this country, we might well face the future with complacency. Tenancy would be confined mainly to young men who

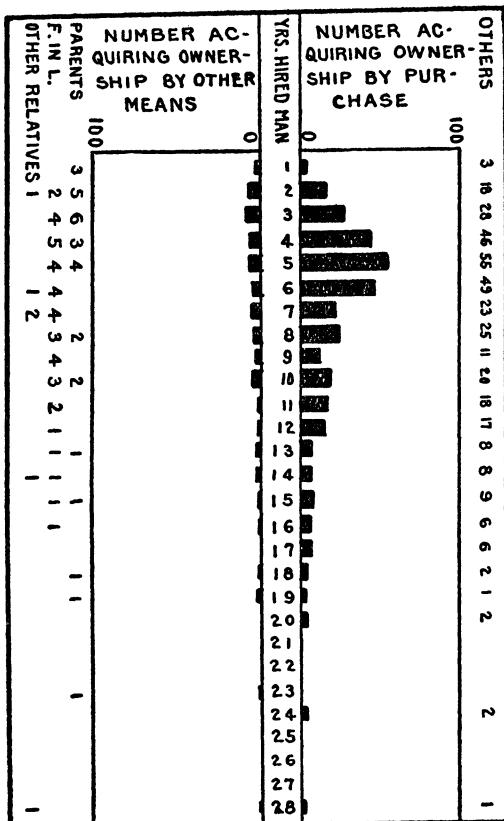


FIG. 4. Group FHTO, 435 individuals. Length of hired-man stage, average 7.4 years.

are just winning their way to ownership and the few incompetents and unfortunates who are unable to climb the ladder in the normal way.

But the price of land has been increasing at a rapid rate in recent years. As a result, the length of time a man must spend in the stages of hired man and tenant is increasing. In order to determine the extent of such increase, the men in group 1, who passed through all the stages, were divided into groups according to the decade in which they acquired ownership. Figure 6 shows

the effect on length of the hired-man stage. Those who acquired their farms 31 to 40 years ago spent an average of 5.2 years as hired men. The length of this stage increases gradually, until it becomes 7.9 years for the subgroup who acquired ownership

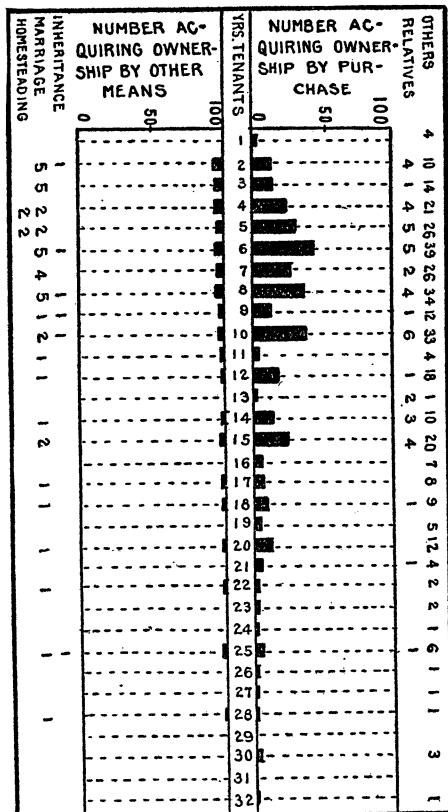


FIG. 5. Group FHTO, 435 individuals. Length of tenant stage, average 9.8 years.

during the decade ending with 1917. This is an increase of 52 per cent in three decades, an average of about 17 per cent to the decade. The rate of increase is slower, however, during the later periods.

Figure 7 shows the relation between date of acquiring ownership and of the tenant stage for this same group of men. For those who acquired their farms 31 to 40 years ago, the length of the tenant stage averages 4.9 years. Three decades later it had increased to 11.1 years, an increase of 127 per cent, or 42 per

cent per decade. But the rate of increase is also slower here in the last decade than in the two previous, being for the three periods respectively 2.3, 2.4, and 1.5 years. It would therefore appear that even under present conditions it is possible by good management, for the young man who must start out without capital, to pass through the various stages necessary to farm owner-

**RELATION OF TIME OF ACQUIRING OWNERSHIP TO LENGTH OF TIME SPENT AS HIRED MAN BY
435 MID-WESTERN FARM OWNERS**

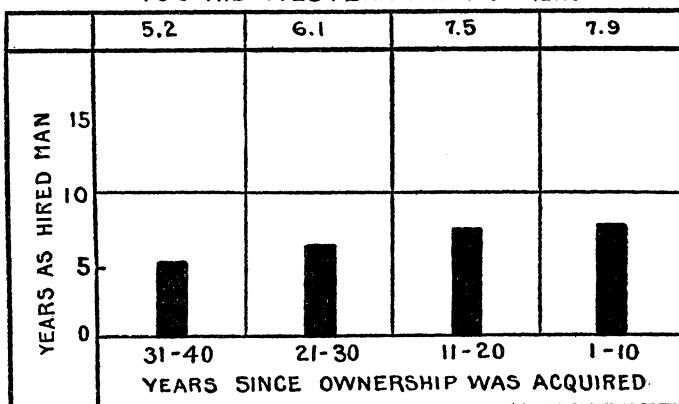


FIG. 6. Length of hired-man stage.

ship and acquire economic independence by the time his children are old enough for college. Whether this condition will continue will depend on several things, one of which is the price of farm land in the future. In Europe it is customary to state the price of farm land in terms of years' rental. Twenty-five years rent is considered a normal price for land. It would simplify matters if a similar custom were adopted in this country. The man who buys a farm on time would then know more of his prospects for final ownership without debt.

Governmental action in aiding young men to acquire farms is an important factor. Other nations, notably Denmark, have solved this problem. There is no fundamental reason why this country can not do the same thing. It is, however, beyond the province of this paper to pursue this phase of the subject. Nevertheless it behooves us as students of agricultural economics to consider carefully the entire subject of tenant farming in this country with a view to seeing that it occupies its proper status in a system in which ownership farming is the rule.

It would appear to be the part of wisdom for us to work for legislation intended to aid young men who have proven themselves as hired men to become tenants on good farms. Then when they have proven their ability as farm managers aid should be extended to them in buying farms. Such a plan would be in harmony with the normal processes by which farms are acquired.

RELATION OF TIME OF ACQUIRING OWNERSHIP TO LENGTH OF TIME SPENT AS TENANTS BY 435 MID-WESTERN FARM OWNERS

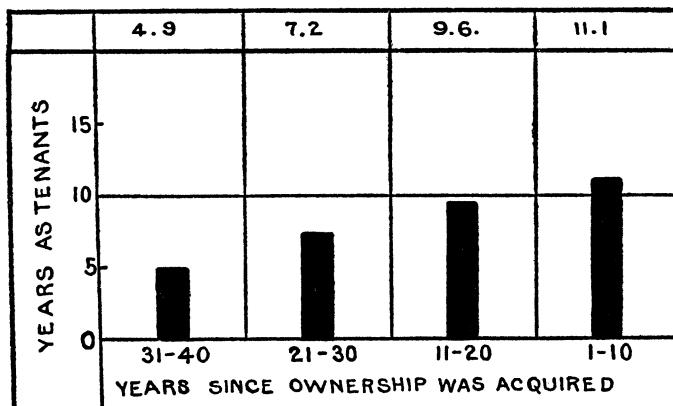


FIG. 7. Average length of tenant stage.

In helping tenants to buy farms it would be legitimate to limit the purchase price, say, to a specified number of years' rent. This would tend to prevent farm land from rising to such prices that men can not hope to pay for their farms during their working life. At least it would result in reducing tenancy to its normal status in those sections of the country in which the price of farm land is reasonable. It would also tend to reduce the price of land in sections where it is too high, for it would reduce the demand for such land.